

MOST-FAVORED-NATION TREATMENT FOR AREAS UNDER OCCUPATION OR CONTROL

*Exchange of notes at Berlin July 14, 1948, between the United States
and the U.S.-U.K. Zones of Occupation*

Entered into force July 14, 1948

Expired in accordance with its terms

62 Stat. 2895; Treaties and Other
International Acts Series 1825

*The Military Governors for the United States and the United Kingdom
Zones of Occupation of Germany to the United States Political Adviser for
Germany*

SIR:

I have the honor to refer to the conversations which have recently taken place between representatives of the Government of the United States of America and of the Military Governors of the United States and United Kingdom Zones of Occupation of Germany relating to the territorial application of commercial arrangements between those Zones and certain other countries and to confirm the understanding reached as a result of these conversations as follows:

1. The United States of America shall accord, immediately and unconditionally, to the merchandise trade of the United States/United Kingdom Zones of Occupation of Germany, treatment no less favorable than that accorded to the merchandise trade of any third country. Similarly, these Zones shall accord, immediately and unconditionally, to the merchandise trade of the United States of America and to the merchandise trade of each other country which has undertaken an obligation to apply most-favored-nation treatment to the merchandise trade of these Zones in an exchange of notes with the United States of America, treatment no less favorable than that accorded to the merchandise trade of any third country.

2. Departures from the application of the most-favored-nation treatment provided for in paragraph 1 shall be permitted to the extent that they are in accord with the exceptions recognized in the General Agreement on Tariffs and Trade.¹ The provisions of this paragraph shall not be construed

¹ TIAS 1700, *ante*, vol. 4, p. 641.

to require compliance with the procedures specified in the General Agreement with regard to the application of such exceptions.

3. The provisions of paragraphs 1 and 2 shall apply, with respect to the United States of America, to all territory under its sovereignty or authority. Moreover, with regard to any area in the Free Territory of Trieste, in the occupation or control of which the Government of the United States of America participated, the Government of the United States of America shall, to the extent of its legal capacity, exercise its authority in such participation, to make the treatment provided for in paragraphs 1 and 2 applicable by such area to the merchandise trade of the United States and United Kingdom Zones. Those Zones shall accord the treatment provided for in paragraphs 1 and 2 to the merchandise trade of such area for such time and to such extent as such area accords reciprocal most-favored-nation treatment to the merchandise trade of those Zones.

4. The provisions of paragraphs 1 and 2 shall not derogate from such other obligations relative to the matters contained herein as may at any time be in effect between the Government of the United States of America and the Military Governors of the United States and United Kingdom Zones of Occupation of Germany.

5. The undertakings in this note shall remain in force until January 1, 1951, and unless at least six months before January 1, 1951, either the Government of the United States of America or the Military Governors of the United States and United Kingdom Zones of Occupation of Germany shall have given notice in writing to the other of intention to terminate these undertakings on that date, these undertakings shall remain in force thereafter until the expiration of six months from the date on which such notice shall have been given.

LUCIUS D. CLAY
General, U.S. Army
Military Governor
United States Zone

BRIAN H. ROBERTSON
General
Military Governor
British Zone

The Honorable
ROBERT D. MURPHY,
United States Political Adviser
for Germany.

*The United States Political Adviser for Germany to the Military Governors
for the United States and the United Kingdom Zones of Occupation of
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[For text of understanding, see numbered paragraphs, p. 275]

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*United States Political Adviser
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